

AMENDED IN SENATE JANUARY 4, 2012

AMENDED IN SENATE MAY 27, 2011

AMENDED IN SENATE MAY 11, 2011

AMENDED IN SENATE APRIL 25, 2011

AMENDED IN SENATE MARCH 31, 2011

## SENATE BILL

**No. 383**

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### Introduced by Senator Wolk

February 15, 2011

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~~An act to amend Sections 216 and 218 of, to repeal Section 2826.5 of, and to repeal and add Chapter 7.5 (commencing with Section 2830) of Part 2 of Division 1 of, the Public Utilities Code, relating to energy. An act to repeal Sections 19850.5 and 19850.6 of the Business and Professions Code, and to amend Sections 326.3 and 326.5 of the Penal Code, relating to bingo, and declaring the urgency thereof, to take effect immediately.~~

#### LEGISLATIVE COUNSEL'S DIGEST

SB 383, as amended, Wolk. ~~Community-Based Renewable Energy Self-Generation Program. Remote caller bingo.~~

*The California Constitution allows the Legislature, by statute, to authorize cities and counties to provide for bingo games for charitable purposes. Existing law authorizes cities and counties to permit eligible nonprofit organizations to conduct bingo games and remote caller bingo games, as defined, for charitable purposes pursuant to an ordinance that allows those games to be conducted in accordance with specified requirements. Existing law sets forth a model ordinance for a city, county, or city and county to authorize remote caller bingo, and*

*prohibits an organization from conducting remote caller bingo more than 2 days per week. Existing law requires an organization authorized to conduct remote caller bingo games to provide at least 30 days' advance written notice of its intent to conduct a remote caller bingo game.*

*This bill additionally would permit a city, county, or city and county to amend an existing local ordinance that allows bingo games to be conducted within that jurisdiction, by resolution, to permit the conduct of remote caller bingo games pursuant to that ordinance, as specified. The bill would include among those organizations eligible to conduct remote caller bingo a charitable organization affiliated with a community college district. The bill would prohibit an organization from conducting remote caller bingo more than 2 days per week, but would permit an organization to hold one additional game, at its election, in each calendar quarter. The bill would require an organization authorized to conduct remote caller bingo games to provide at least 10 days' advance written notice of intent to conduct a remote caller bingo game on a form prescribed by the city, county, or city and county, and to provide notice within 24 hours if the location of the remote caller bingo game changes. The bill also would repeal the model ordinance.*

*Existing law requires the California Gambling Control Commission to regulate remote caller bingo, including licensure and operation. Among other things, any person who conducts a remote caller bingo game and any person who manufactures or otherwise provides equipment for use in the playing of a remote caller bingo game are required to be licensed. Existing law also requires the commission to approve all equipment used for remote caller bingo in advance, to monitor operation of the transmission and other equipment used for remote caller bingo, and to monitor the game.*

*This bill would delete all state licensure requirements for the conduct of remote caller bingo, and would, instead, require an organization that is eligible to conduct remote caller bingo games to register annually with the Department of Justice, as specified. The bill would require the department to maintain a registry on its Internet Web site of all organizations registered to conduct remote caller bingo. The bill would require the department to charge an annual registration fee of \$100, to be deposited into the California Bingo Fund, to cover the department's actual costs to administer and enforce these provisions, and would require the department to adopt regulations in that regard.*

*The bill would require an organization licensed to conduct remote caller bingo, or a management company contracted with a licensed organization, to register all of its local bingo licenses with the department. The bill would authorize the department to charge a fee to cover the cost of the registration requirement and would require that registration information be made available to the public upon request.*

*The bill would make other technical and conforming changes relating to the duties of the Department of Justice and the commission, including setting forth procedures for a city, county, or city and county, as the local licensing entity, to obtain a background check from the department. The bill would delete the requirement that the commission approve all equipment used for remote caller bingo in advance, but would require the city, county, or city and county to monitor operation of the transmission and other equipment used for remote caller bingo and to monitor the game. The bill would authorize the department to audit the books and records of a licensed organization or a management company contracted by a licensed organization to conduct remote caller bingo at any time and to charge a fee for the audit. The bill would require the audit information to be made available to the public upon request. Additionally, the bill would require a management company to retain an independent California certified public accountant to conduct an annual audit of its books and records, and would subject a management company to a civil penalty for filing false information with the department.*

*To ensure continuity of remote caller bingo games, this bill would, until June 1, 2012, authorize a city, county, or city and county to recognize a state license, work permit, or approval of equipment that was issued by the commission and in effect on June 30, 2011, as specified. The bill would permit an authorized organization to contract with a management company to provide business services, but would require the organization to give notice of the contract to the city, county, or city and county and to meet other requirements, as specified. The bill would require the live, physical calling and broadcast of a remote caller bingo game to be conducted from a jurisdiction that authorizes by local ordinance the conduct of remote caller bingo games.*

*This bill would make additional changes relating to the requirements for cosponsoring remote caller bingo games, and would simplify other procedures and requirements applicable to the conduct of remote caller bingo games.*

*Under existing law, any violation of the remote caller bingo provisions described above is a misdemeanor, punishable as specified.*

*This bill would expand the scope of an existing crime by imposing different requirements for the conduct of remote caller bingo, thereby creating a state-mandated local program.*

*Existing law requires the California Gambling Control Commission to submit a report to the Legislature, on or before January 1, 2012, on the fundraising effectiveness and regulation of remote caller bingo. A loan from the Gambling Control Fund to the California Bingo Fund for the startup costs relating to remote caller bingo is required to be repaid within 5 years after the date of the loan.*

*This bill would delete that reporting requirement, and would delete the requirement that the startup loan be repaid within 5 years.*

*Existing law authorizes players who are physically present at a bingo game to use hand-held, portable card-minding devices, as specified, that are approved prior to use by the California Gambling Control Commission. Additionally, the commission is required to license persons or entities that manufacture, supply, or service card-minding devices and related equipment, and may inspect and prohibit the use of any card-minding devices that are noncompliant. Existing law requires the commission to adopt regulations concerning remote caller bingo and card-minding devices.*

*This bill would repeal these provisions relating to card-minding devices and the duties of the commission.*

*The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that no reimbursement is required by this act for a specified reason.*

*This bill would declare that it is to take effect immediately as an urgency statute.*

~~(1) Under existing law, the Public Utilities Commission has regulatory jurisdiction over public utilities, including electrical corporations, as defined. Existing law authorizes the commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. Under existing law, the local government renewable energy self-generation program authorizes a local government, as defined, to receive a bill credit, as defined, to be applied to a designated benefiting account for electricity exported to~~

~~the electrical grid by an eligible renewable generating facility, as defined, and requires the commission to adopt a rate tariff for the benefiting account.~~

~~This bill would repeal these provisions and enact the Community-Based Renewable Energy Self-Generation Program. The program would authorize a retail customer of an electric utility to purchase a subscription, as defined, in a community facility, as defined, for the purpose of receiving a bill credit, as defined, to offset all or a portion of the customer's electricity usage, consistent with specified requirements.~~

~~Because the provisions of the bill require action by the commission to implement its requirements, a violation of these provisions would impose a state-mandated local program by expanding the definition of a crime.~~

~~The bill would provide that any corporation or person engaged directly or indirectly in developing, producing, delivering, participating in, or selling interests in, a community facility is not a public utility or electrical corporation solely by reason of engaging in any of those activities.~~

~~(2) Existing law authorizes the City of Davis to receive a bill credit, as defined, to a benefiting account, as defined, for electricity supplied to the electrical grid by a photovoltaic electricity generation facility located within, and partially owned by, the city (PVUSA solar facility) and requires the commission to adopt a rate tariff for the benefiting account.~~

~~This bill would repeal these provisions relating to the City of Davis.~~

~~(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason.~~

~~Vote: majority <sup>2</sup>/<sub>3</sub>. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.~~

*The people of the State of California do enact as follows:*

- 1 *SECTION 1. Section 19850.5 of the Business and Professions*
- 2 *Code is repealed.*
- 3 ~~19850.5. Notwithstanding Section 19850 or any other provision~~
- 4 ~~of law, this chapter shall apply to both of the following:~~

1 (a) ~~The operation, regulation, and enforcement of remote caller~~  
2 ~~bingo, as defined in paragraph (1) of subdivision (t) of Section~~  
3 ~~326.3 of the Penal Code, to the extent expressly made applicable~~  
4 ~~by Section 326.3 of the Penal Code. No requirement contained in~~  
5 ~~this chapter shall apply to remote caller bingo unless expressly~~  
6 ~~made applicable by Section 326.3 of the Penal Code.~~

7 (b) ~~The regulation of card-minding devices as provided in~~  
8 ~~subdivision (p) of Section 326.5 of the Penal Code, to the extent~~  
9 ~~expressly made applicable by Section 326.5 of the Penal Code.~~  
10 ~~No requirement contained in this chapter shall apply to~~  
11 ~~card-minding devices unless expressly made applicable by Section~~  
12 ~~326.5 of the Penal Code.~~

13 *SEC. 2. Section 19850.6 of the Business and Professions Code*  
14 *is repealed.*

15 ~~19850.6. (a) In order to avoid delays in implementing the~~  
16 ~~California Remote Caller Bingo Act, including implementing~~  
17 ~~remote caller bingo, testing and certifying card-minding devices,~~  
18 ~~and to avoid disruption of fundraising efforts by nonprofit~~  
19 ~~organizations, the Legislature finds and declares that it is necessary~~  
20 ~~to provide the commission with a limited exemption from normal~~  
21 ~~rulemaking procedural requirements. The commission is directed~~  
22 ~~to adopt appropriate emergency regulations as soon as possible,~~  
23 ~~the initial regulatory action to be filed with the Office of~~  
24 ~~Administrative Law no later than May 1, 2009. It is the intent of~~  
25 ~~the Legislature to provide the commission with full authority and~~  
26 ~~sufficient flexibility to adopt all needed regulations. These~~  
27 ~~regulations may be adopted in a series of regulatory actions.~~  
28 ~~Subsequent regulatory actions may amend or repeal earlier~~  
29 ~~regulatory actions, as necessary, to reflect program experience and~~  
30 ~~concerns of the regulated public.~~

31 (b) ~~The commission shall adopt emergency regulations~~  
32 ~~concerning remote caller bingo and concerning card-minding~~  
33 ~~devices no later than May 1, 2009. The adoption, amendment,~~  
34 ~~repeal, or readoption of a regulation authorized by this section is~~  
35 ~~deemed to address an emergency, for purposes of Sections 11346.1~~  
36 ~~and 11349.6 of the Government Code, and the commission is~~  
37 ~~hereby exempted for this purpose from the requirements of~~  
38 ~~subdivision (b) of Section 11346.1 of the Government Code, but~~  
39 ~~shall otherwise be subject to the review and approval of the Office~~  
40 ~~of Administrative Law.~~

1     ~~(e) Notwithstanding any other law, all emergency regulations~~  
2     ~~adopted by the commission pursuant to this section before July 1,~~  
3     ~~2009, shall remain in effect until December 31, 2011, except to~~  
4     ~~the extent that the commission exercises its power to adopt, amend,~~  
5     ~~or repeal these regulations in whole or in part.~~

6     *SEC. 3. Section 326.3 of the Penal Code is amended to read:*

7     326.3. (a) The Legislature finds and declares all of the  
8     following:

9     (1) Nonprofit organizations provide important and essential  
10    educational, philanthropic, and social services to the people of the  
11    State of California.

12    (2) One of the great strengths of California is a vibrant nonprofit  
13    sector.

14    (3) Nonprofit and philanthropic organizations touch the lives  
15    of every Californian through service and employment.

16    (4) Many of these services would not be available if nonprofit  
17    organizations did not provide them.

18    (5) There is a need to provide methods of fundraising to  
19    nonprofit organizations to enable them to provide these essential  
20    services.

21    (6) Historically, many nonprofit organizations have used  
22    charitable bingo as one of their key fundraising strategies to  
23    promote the mission of the charity.

24    (7) Legislation is needed to provide greater revenues for  
25    nonprofit organizations to enable them to fulfill their charitable  
26    purposes, and especially to meet their increasing social service  
27    obligations.

28    (8) Legislation is also needed to clarify that existing law requires  
29    that all charitable bingo must be played using a tangible card and  
30    that the only permissible electronic devices to be used by charitable  
31    bingo players are card-minding devices.

32    (b) Neither the prohibition on gambling in this chapter nor in  
33    Chapter 10 (commencing with Section 330) applies to any remote  
34    caller bingo game that is played or conducted in a city, county, or  
35    city and county pursuant to an ordinance enacted under Section  
36    19 of Article IV of the California Constitution, if the ordinance  
37    allows a remote caller bingo game to be played or conducted only  
38    in accordance with this section, including the following  
39    requirements:

(1) The game may be conducted only by the following organizations:

(A) An organization that is exempted from the payment of the taxes imposed under the Corporation Tax Law by Section 23701a, 23701b, 23701d, 23701e, 23701f, 23701g, 23701k, 23701l, or 23701w of the Revenue and Taxation Code.

(B) A mobilehome park association.

(C) A senior citizens organization.

(D) Charitable organizations affiliated with a school district *or community college district*.

(2) The organization conducting the game shall have been incorporated or in existence for three years or more.

(3) The organization conducting the game shall be licensed pursuant to subdivision (l) of Section 326.5.

(4) The receipts of the game shall be used only for charitable purposes. The organization conducting the game shall determine the disbursement of the net receipts of the game.

(5) The operation of bingo may not be the primary purpose for which the organization is organized.

~~(e) (1) A city, county, or city and county may adopt an ordinance in substantially the following form to authorize remote caller bingo in accordance with the requirements of subdivision (b):~~

~~—~~

~~Sec. \_\_.01. Legislative Authorization.~~

~~This chapter is adopted pursuant to Section 19 of Article IV of the California Constitution, as implemented by Sections 326.3 and 326.4 of the Penal Code.~~

~~Sec. \_\_.02. Remote Caller Bingo Authorized.~~

~~Remote Caller Bingo may be lawfully played in the [City, County, or City and County] pursuant to the provisions of Sections 326.3 and 326.4 of the Penal Code, and this chapter, and not otherwise.~~

~~Sec. \_\_.03. Qualified Applicants: Applicants for Licensure.~~

~~(a) The following organizations are qualified to apply to the License Official for a license to operate a bingo game if the receipts of those games are used only for charitable purposes:~~

~~(1) An organization exempt from the payment of the taxes imposed under the Corporation Tax Law by Section 23701a,~~



1 ~~23701b, 23701d, 23701e, 23701f, 23701g, 23701k, 23701l, or~~  
2 ~~23701w of the Revenue and Taxation Code.~~

3 ~~(2) A mobile home park association of a mobile home park that~~  
4 ~~is situated in the [City, County, or City and County].~~

5 ~~(3) Senior citizen organizations.~~

6 ~~(4) Charitable organizations affiliated with a school district.~~

7 ~~(b) The application shall be in a form prescribed by the License~~  
8 ~~Official and shall be accompanied by a nonrefundable filing fee~~  
9 ~~in an amount determined by resolution of the [Governing Body of~~  
10 ~~the City, County, or City and County] from time to time. The~~  
11 ~~following documentation shall be attached to the application, as~~  
12 ~~applicable:~~

13 ~~(1) A certificate issued by the Franchise Tax Board certifying~~  
14 ~~that the applicant is exempt from the payment of the taxes imposed~~  
15 ~~under the Corporation Tax Law pursuant to Section 23701a,~~  
16 ~~23701b, 23701d, 23701e, 23701f, 23701g, 23701k, 23701l, or~~  
17 ~~23701w of the Revenue and Taxation Code. In lieu of a certificate~~  
18 ~~issued by the Franchise Tax Board, the License Official may refer~~  
19 ~~to the Franchise Tax Board's Internet Web site to verify that the~~  
20 ~~applicant is exempt from the payment of the taxes imposed under~~  
21 ~~the Corporation Tax Law.~~

22 ~~(2) Other evidence as the License Official determines is~~  
23 ~~necessary to verify that the applicant is a duly organized mobile~~  
24 ~~home park association of a mobile home park situated in the [City,~~  
25 ~~County, or City and County].~~

26 ~~Sec. \_\_.04. License Application: Verification.~~

27 ~~The license shall not be issued until the License Official has~~  
28 ~~verified the facts stated in the application and determined that the~~  
29 ~~applicant is qualified.~~

30 ~~Sec. \_\_.05. Annual Licenses.~~

31 ~~A license issued pursuant to this chapter shall be valid until the~~  
32 ~~end of the calendar year, at which time the license shall expire. A~~  
33 ~~new license shall only be obtained upon filing a new application~~  
34 ~~and payment of the license fee. The fact that a license has been~~  
35 ~~issued to an applicant creates no vested right on the part of the~~  
36 ~~licensee to continue to offer bingo for play. The [Governing Body~~  
37 ~~of the City, County, or City and County] expressly reserves the~~  
38 ~~right to amend or repeal this chapter at any time by resolution. If~~  
39 ~~this chapter is repealed, all licenses issued pursuant to this chapter~~

1 shall cease to be effective for any purpose on the effective date of  
2 the repealing resolution.

3 ~~Sec. .06. Conditions of Licensure.~~

4 (a) ~~Any license issued pursuant to this chapter shall be subject~~  
5 ~~to the conditions contained in Sections 326.3 and 326.4 of the~~  
6 ~~Penal Code, and each licensee shall comply with the requirements~~  
7 ~~of those provisions.~~

8 (b) ~~Each license issued pursuant to this chapter shall be subject~~  
9 ~~to the following additional conditions:~~

10 (1) ~~Bingo games shall not be conducted by any licensee on more~~  
11 ~~than two days during any week, except that a licensee may hold~~  
12 ~~one additional game, at its election, in each calendar quarter.~~

13 (2) ~~The licensed organization is responsible for ensuring that~~  
14 ~~the conditions of this chapter and Sections 326.3 and 326.4 of the~~  
15 ~~Penal Code are complied with by the organization and its officers~~  
16 ~~and members. A violation of any one or more of those conditions~~  
17 ~~or provisions shall constitute cause for the revocation of the~~  
18 ~~organization's license. At the request of the organization, the~~  
19 ~~[Governing Body of the City, County, or City and County] shall~~  
20 ~~hold a public hearing before revoking any license issued pursuant~~  
21 ~~to this chapter.~~

22 ~~—~~

23 (2) ~~Nothing in this section shall require a city, county, or city~~  
24 ~~and county to use this model ordinance in order to authorize remote~~  
25 ~~caller bingo.~~

26 (c) (1) *To ensure continuity of remote caller bingo games, until*  
27 *June 1, 2012, the local licensing entity may recognize a state*  
28 *license, work permit, or approval of equipment that was issued by*  
29 *the commission pursuant to this section, and in effect on June 30,*  
30 *2011, including, but not limited to, any of the following:*

31 (A) *An interim license of a person who conducts remote caller*  
32 *bingo games approved by the commission, as of June 30, 2011.*

33 (B) *An interim work permit for personnel employed by an*  
34 *organization that conducts remote caller bingo games.*

35 (C) *An interim approval of equipment used for remote caller*  
36 *bingo games.*

37 (2) *If the local licensing entity decides to recognize a license,*  
38 *work permit, or equipment approval issued by the commission,*  
39 *the local licensing entity shall be responsible for regulatory*  
40 *oversight and enforcement in accordance with the standards and*

1 *procedures applicable within its jurisdiction pursuant to local*  
2 *ordinance.*

3 (3) *Any reference to the commission as the licensing authority*  
4 *for the conduct of remote caller bingo games that appears in a*  
5 *local ordinance adopted prior to the operative date of the act*  
6 *adding this subdivision shall be deemed to refer to the local*  
7 *licensing entity.*

8 (d) (1) It is a misdemeanor for any person to receive or pay a  
9 profit, wage, or salary from any remote caller bingo game, provided  
10 that administrative, managerial, technical, financial, and security  
11 personnel employed by the organization conducting the bingo  
12 game may be paid reasonable fees for services rendered from the  
13 revenues of bingo games, as provided in subdivision (m), except  
14 that fees paid under those agreements shall not be determined as  
15 a percentage of receipts or other revenues from, or be ~~dependant~~  
16 *dependent* on the outcome of, the game.

17 ~~(e)~~  
18 (2) A violation of *this* subdivision ~~(d)~~ shall be punishable by a  
19 fine not to exceed ten thousand dollars (\$10,000), which fine shall  
20 be deposited in the general fund of the city, county, or city and  
21 county that enacted the ordinance authorizing the remote caller  
22 bingo game. A violation of any provision of this section, other  
23 than *this* subdivision ~~(d)~~, is a misdemeanor.

24 ~~(f)~~  
25 (e) The city, county, or city and county that enacted the  
26 ordinance authorizing the remote caller bingo game, or the Attorney  
27 General, may bring an action to enjoin a violation of this section.

28 ~~(g)~~  
29 (f) No minors shall be allowed to participate in any remote caller  
30 bingo game.

31 ~~(h)~~  
32 (g) A remote caller bingo game shall not include any site that  
33 is not located within this state.

34 ~~(i)~~  
35 (h) An organization authorized to conduct a remote caller bingo  
36 game pursuant to subdivision (b) shall conduct the game only on  
37 property that is owned or leased by the organization, or the use of  
38 which is donated to the organization. Nothing in this subdivision  
39 shall be construed to require that the property that is owned or  
40 leased by, or the use of which is donated to, the organization be

1 used or leased exclusively by, or donated exclusively to, that  
2 organization.

3 ~~(j)~~

4 (i) (1) All remote caller bingo games shall be open to the public,  
5 not just to the members of the authorized organization.

6 (2) No more than 750 players may participate in a remote caller  
7 bingo game in a single location.

8 (3) If the Governor of California or the President of the United  
9 States declares a state of emergency in response to a natural disaster  
10 or other public catastrophe occurring in California, an organization  
11 authorized to conduct remote caller bingo games may, while that  
12 declaration is in effect, conduct a remote caller bingo game  
13 pursuant to this section with more than 750 participants in a single  
14 venue if the net proceeds of the game, after deduction of prizes  
15 and overhead expenses, are donated to or expended exclusively  
16 for the relief of the victims of the disaster or catastrophe, and the  
17 organization gives the ~~California Gambling Control Commission~~  
18 *local licensing entity* at least 10 days' written notice of the intent  
19 to conduct that game.

20 (4) An organization authorized to conduct remote caller bingo  
21 games shall provide the ~~commission~~ *local licensing entity* with at  
22 least ~~30~~ 10 days' advance written notice of its intent to conduct a  
23 remote caller bingo game. That notice shall ~~include all of the~~  
24 ~~following:~~ *be on a form prescribed by the local licensing entity.*  
25 *If the location of the remote caller bingo game changes, the*  
26 *organization shall provide the local licensing entity notice by*  
27 *e-mail, telephone, or fax within 24 hours of the change of location.*

28 ~~(A) The legal name of the organization and the address of record~~  
29 ~~of the agent upon whom legal notice may be served.~~

30 ~~(B) The locations of the caller and remote players, whether the~~  
31 ~~property is owned by the organization or donated, and if donated,~~  
32 ~~by whom.~~

33 ~~(C) The name of the licensed caller and site manager.~~

34 ~~(D) The names of administrative, managerial, technical,~~  
35 ~~financial, and security personnel employed.~~

36 ~~(E) The name of the vendor and any person or entity maintaining~~  
37 ~~the equipment used to operate and transmit the game.~~

38 ~~(F) The name of the person designated as having a fiduciary~~  
39 ~~responsibility for the game pursuant to paragraph (2) of subdivision~~

40 ~~(k).~~

1 ~~(G) The license numbers of all persons specified in~~  
2 ~~subparagraphs (A) to (F), inclusive, who are required to be licensed.~~

3 ~~(H) A copy of the local ordinance for any city, county, or city~~  
4 ~~and county in which the game will be played. The commission~~  
5 ~~shall post the ordinance on its Internet Web site.~~

6 *(j) (1) An organization eligible to conduct a remote caller bingo*  
7 *game pursuant to subdivision (b) shall register annually with the*  
8 *department in order to conduct remote caller bingo games pursuant*  
9 *to this section. The department shall create, by regulation, and*  
10 *provide to eligible nonprofit organizations, upon request, a*  
11 *registration form. The department also shall post the registration*  
12 *form on its Internet Web site. Only the information necessary for*  
13 *the department to implement this section shall be required for*  
14 *completion of the registration form, including, but not limited to,*  
15 *all of the following relative to the eligible organization:*

16 *(A) Name and address of the organization, and a mode of*  
17 *contract, such as a telephone number, for the organization that*  
18 *members of the public and government agencies may use during*  
19 *normal business hours to obtain information about the*  
20 *organization's finances and activities. The telephone number of*  
21 *an official of the organization who can provide that information*  
22 *may be used.*

23 *(B) Federal tax identification number, corporate number issued*  
24 *by the Secretary of State, organization number issued by the*  
25 *Franchise Tax Board, or California charitable trust identification*  
26 *number.*

27 *(C) Name and title of a responsible fiduciary of the organization.*

28 *(2) The department shall maintain a registry on its Internet Web*  
29 *site of all organizations registered to conduct remote caller bingo*  
30 *pursuant to this section. Prior to issuing a license pursuant to a*  
31 *local ordinance, the local licensing entity shall confirm that an*  
32 *organization applying to operate a remote caller bingo game is*  
33 *registered and in good standing according to the registry available*  
34 *on the department's Internet Web site.*

35 *(3) The department may require an eligible organization to pay*  
36 *an annual registration fee of one hundred dollars (\$100) to cover*  
37 *the actual costs of the department to administer and enforce this*  
38 *section. The department may, by regulation, adjust the annual*  
39 *registration fee as needed to ensure that revenues will fully offset,*  
40 *but not exceed, the actual costs incurred by the department*

1 *pursuant to this section. Fee revenues shall be deposited by the*  
2 *department into the California Bingo Fund.*

3 *(4) The department shall adopt regulations to implement this*  
4 *section. The initial adoption, amendment, or repeal of a regulation*  
5 *authorized by this section is deemed to address an emergency, for*  
6 *purposes of Sections 11346.1 and 11349.6 of the Government*  
7 *Code, and the department is hereby exempted for that purpose*  
8 *from the requirements of subdivision (b) of Section 11346.1 of the*  
9 *Government Code. After the initial adoption, amendment, or repeal*  
10 *of an emergency regulation pursuant to this section, the department*  
11 *may request approval from the Office of Administrative Law to*  
12 *readopt the regulation as an emergency regulation pursuant to*  
13 *Section 11346.1 of the Government Code.*

14 *(5) The department shall have concurrent jurisdiction with local*  
15 *law enforcement agencies to enforce this section.*

16 *(k) (1) A remote caller bingo game shall be operated and staffed*  
17 *only by members of the authorized organization that organized it.*  
18 *Those members shall not receive a profit, wage, or salary from*  
19 *any remote caller bingo game. Only the organization authorized*  
20 *to conduct a remote caller bingo game shall operate that game, or*  
21 *participate in the promotion, supervision, or any other phase of a*  
22 *remote caller bingo game. Subject to the provisions of subdivision*  
23 *(m), this subdivision shall not preclude the employment of*  
24 *administrative, managerial, technical, financial, or security*  
25 *personnel who are not members of the authorized organization at*  
26 *a location participating in the remote caller bingo game by the*  
27 *organization conducting the game. Notwithstanding any other*  
28 *provision of law, exclusive or other agreements between the*  
29 *authorized organization and other entities or persons to provide*  
30 *services in the administration, management, or conduct of the game*  
31 *shall not be considered a violation of the prohibition against*  
32 *holding a legally cognizable financial interest in the conduct of*  
33 *the remote caller bingo game by persons or entities other than the*  
34 *charitable organization, or other entity authorized to conduct the*  
35 *remote caller bingo games, provided that those persons or entities*  
36 *obtain the gambling licenses, the key employee licenses, or the*  
37 *work permits required by, and otherwise comply with, Chapter 5*  
38 *(commencing with Section 19800) of Division 8 of the Business*  
39 *and Professions Code. Fees to be paid under any such those*  
40 *agreements shall be reasonable and shall not be determined as a*

percentage of receipts or other revenues from, or be dependent on the outcome of, the game.

(2) *An authorized organization may contract with a management company to provide business services, including, but not limited to, game accounting and bingo game consulting, including operations of broadcasting and telecasting assistance. An authorized organization that contracts with a management company shall do all of the following:*

(A) *Indicate on the application to conduct remote caller bingo games that is submitted to the local licensing entity that it has contracted with a management company. The authorized organization shall notify the local licensing entity in writing if it contracts with a management company subsequent to the submission of its application to the local licensing entity.*

(B) *Ensure that the management company has a business license and request a live scan background check for each employee or consultant that has a 10 percent or greater ownership interest in any management company.*

(C) *Maintain on file the name, address, and contact numbers of the management company, and provide that information to the department upon request.*

(3) *A management company that is retained by an authorized organization to manage a remote caller bingo game shall file all of the following with the department:*

(A) *The legal name of the management company and the address of record of the agent upon whom legal notice may be served.*

(B) *The physical locations of the caller and each of the remote sites at which remote caller bingo is played.*

(C) *The names of any site managers employed by the management company.*

(D) *A copy of the local ordinance for each remote site at which remote caller bingo is played.*

(4) *The live, physical calling and broadcast of a remote caller bingo game shall be conducted from a jurisdiction that authorizes by local ordinance the conduct of remote caller bingo games.*

(5) *Any person who knowingly violates paragraph (3) by providing false information shall be subject to a civil penalty in the amount of five thousand dollars (\$5,000). An action for a civil penalty may be brought by any public prosecutor.*

(2)

1 (6) An organization that conducts a remote caller bingo game  
2 shall designate a person as having fiduciary responsibility for the  
3 game.

4 (l) No individual, corporation, partnership, or other legal entity,  
5 except the organization authorized to conduct or participate in a  
6 remote caller bingo game, shall hold a legally cognizable financial  
7 interest in the conduct of ~~such a~~ *that* game.

8 (m) An organization authorized to conduct a remote caller bingo  
9 game pursuant to this section shall not have overhead costs  
10 exceeding 20 percent of gross sales, except that the limitations of  
11 this section shall not apply to one-time, nonrecurring capital  
12 acquisitions. For purposes of this subdivision, “overhead costs”  
13 includes, but is not limited to, amounts paid for rent and equipment  
14 leasing and the reasonable fees authorized to be paid to  
15 administrative, managerial, technical, financial, and security  
16 personnel employed by the organization pursuant to subdivision  
17 (d). For the purpose of keeping its overhead costs below 20 percent  
18 of gross sales, an authorized organization may elect to deduct all  
19 or a portion of the fees paid to financial institutions for the use and  
20 processing of credit card sales from the amount of gross revenues  
21 awarded for prizes. In that case, the redirected fees for the use and  
22 processing of credit card sales shall not be included in “overhead  
23 costs” as defined in the California Remote Caller Bingo Act.  
24 Additionally, fees paid to financial institutions for the use and  
25 processing of credit card sales shall not be deducted from the  
26 proceeds retained by the charitable organization.

27 (n) No person shall be allowed to participate in a remote caller  
28 bingo game unless the person is physically present at the time and  
29 place where the remote caller bingo game is being conducted. A  
30 person shall be deemed to be physically present at the place where  
31 the remote caller bingo game is being conducted if he or she is  
32 present at any of the locations participating in the remote caller  
33 bingo game in accordance with this section.

34 (o) (1) An organization shall not cosponsor a remote caller  
35 bingo game with one or more other organizations unless ~~one of~~  
36 ~~the following is true:~~

37 ~~(A) All~~ all of the cosponsors are affiliated under the master  
38 charter or articles and bylaws of a single organization *involved in*  
39 *the same type of activity.*



1 ~~(B) All of the cosponsors are affiliated through an organization~~  
2 ~~described in paragraph (1) of subdivision (b), and have the same~~  
3 ~~Internal Revenue Service activity code.~~

4 (2) Notwithstanding paragraph (1), a maximum of 10  
5 unaffiliated organizations described in paragraph (1) of subdivision  
6 (b) may enter into an agreement to cosponsor a remote caller game,  
7 ~~provided but that the game shall have not more than 10 locations.~~

8 (3) An organization shall not conduct remote caller bingo more  
9 than two days per week, *except that an organization may hold one*  
10 *additional game, at its election, in each calendar quarter.*

11 ~~(4) Before sponsoring or operating any game authorized under~~  
12 ~~paragraph (1) or (2), each of the cosponsoring organizations shall~~  
13 ~~have entered into a written agreement, a copy of which shall be~~  
14 ~~provided to the commission, setting forth how the expenses and~~  
15 ~~proceeds of the game are to be allocated among the participating~~  
16 ~~organizations, the bank accounts into which all receipts are to be~~  
17 ~~deposited and from which all prizes are to be paid, and how game~~  
18 ~~records are to be maintained and subjected to annual audit.~~

19 (p) The value of prizes awarded during the conduct of any  
20 remote caller bingo game shall not exceed 37 percent of the gross  
21 receipts for that game. When an authorized organization elects to  
22 deduct fees paid for the use and processing of credit card sales  
23 from the amount of gross revenues for that game awarded for  
24 prizes, the maximum amount of gross revenues that may be  
25 awarded for prizes shall not exceed 37 percent of the gross receipts  
26 for that game, less the amount of redirected fees paid for the use  
27 and processing of credit card sales. Every remote caller bingo game  
28 shall be played until a winner is declared. Progressive prizes are  
29 prohibited. The declared winner of a remote caller bingo game  
30 shall provide his or her identifying information and a mailing  
31 address to ~~the onsite manager of the remote caller bingo game a~~  
32 *representative of the organization*. Prizes shall be paid only by  
33 check; no cash prizes shall be paid. The organization conducting  
34 the remote caller bingo game may issue a check to the winner at  
35 the time of the game, or may send a check to the declared winner  
36 by United States Postal Service ~~certified mail, return receipt~~  
37 ~~requested~~. All prize money exceeding state and federal exemption  
38 limits on prize money shall be subject to income tax reporting and  
39 withholding requirements under applicable state and federal laws  
40 and regulations and those reports and withholding shall be

1 forwarded, within 10 business days, to the appropriate state or  
2 federal agency on behalf of the winner. A report shall accompany  
3 the amount withheld identifying the person on whose behalf the  
4 money is being sent. Any game interrupted by a transmission  
5 failure, electrical outage, or act of God shall be considered void  
6 in the location that was affected. A refund for a canceled game or  
7 games shall be provided to the purchasers.

8 ~~(q) (1) The California Gambling Control Commission shall~~  
9 ~~regulate remote caller bingo, including, but not limited to, licensure~~  
10 ~~and operation. The commission shall establish reasonable criteria~~  
11 ~~regulating, and shall require the licensure of, the following:~~

12 ~~(A) Any person who conducts a remote caller bingo game~~  
13 ~~pursuant to this section, including, but not limited to, an employee;~~  
14 ~~a person having fiduciary responsibility for a remote caller bingo~~  
15 ~~game, a site manager, and a bingo caller.~~

16 ~~(B) Any person who directly or indirectly manufactures,~~  
17 ~~distributes, supplies, vends, leases, or otherwise provides supplies,~~  
18 ~~devices, services, or other equipment designed for use in the~~  
19 ~~playing of a remote caller bingo game by any nonprofit~~  
20 ~~organization.~~

21 ~~(C) Beginning January 31, 2009, or a later date as may be~~  
22 ~~established by the commission, all persons described in~~  
23 ~~subparagraph (A) or (B) may submit to the commission a letter of~~  
24 ~~intent to submit an application for licensure. The letter shall clearly~~  
25 ~~identify the principal applicant, all categories under which the~~  
26 ~~application will be filed, and the names of all those particular~~  
27 ~~individuals who are applying. Each charitable organization shall~~  
28 ~~provide an estimate of the frequency with which it plans to conduct~~  
29 ~~remote caller bingo operations, including the number of locations.~~  
30 ~~The letter of intent may be withdrawn or updated at any time.~~

31 ~~(2) (A) The Department of Justice shall conduct background~~  
32 ~~investigations and conduct field enforcement as it relates to remote~~  
33 ~~caller bingo consistent with the Gambling Control Act (Chapter 5~~  
34 ~~(commencing with Section 19800) of Division 8 of the Business~~  
35 ~~and Professions Code) and as specified in regulations promulgated~~  
36 ~~by the commission.~~

37 ~~(B) Fees to cover background investigation costs shall be paid~~  
38 ~~and accounted for in accordance with Section 19867 of the~~  
39 ~~Business and Professions Code.~~

1 ~~(3) (A) Every application for a license or approval shall be~~  
2 ~~accompanied by a nonrefundable fee, the amount of which shall~~  
3 ~~be adopted by the commission by regulation.~~

4 *(q) (1) A licensed organization, or a management company*  
5 *contracted with a licensed organization, shall register all of its*  
6 *local bingo licenses with the department. This information shall*  
7 *be made available to the public upon request.*

8 *(2) The department may charge an annual filing fee of two*  
9 *hundred dollars (\$200) to be used to cover the actual costs to*  
10 *administer and enforce the registration requirement described in*  
11 *paragraph (1). Fee revenues shall be deposited by the department*  
12 *into the California Bingo Fund.*

13 *(r) (1) If the local licensing entity requests a background check*  
14 *from the department of any person required to be licensed pursuant*  
15 *to the applicable local ordinance, it shall submit to the department*  
16 *fingerprint images and related information required by the*  
17 *department for the purpose of obtaining information as to the*  
18 *existence and content of a record of state and federal convictions*  
19 *and arrests, including state or federal arrests for which the*  
20 *department establishes that the person is free on bail or on his or*  
21 *her own recognizance pending trial or appeal.*

22 *(2) Upon receipt, the department shall forward requests for*  
23 *federal summary criminal history information pursuant to this*  
24 *section to the Federal Bureau of Investigation. The department*  
25 *shall review the information returned from the Federal Bureau of*  
26 *Investigation and compile and disseminate a response to the local*  
27 *licensing entity.*

28 *(3) The department shall provide a state or federal level*  
29 *response to the local licensing entity pursuant to paragraph (1)*  
30 *of subdivision (p) of Section 11105.*

31 *(4) The local licensing entity shall request from the department*  
32 *subsequent arrest notification service, as provided pursuant to*  
33 *Section 11105.2, for persons described in paragraph (1).*

34 *(5) The department shall charge a fee sufficient to cover the*  
35 *cost of processing requests pursuant to this subdivision.*

36 ~~(B)~~

37 *(6) (A) Fees and revenue collected pursuant to this paragraph*  
38 *subdivision shall be deposited in the California Bingo Fund, which*  
39 *is hereby created in the State Treasury. The funds deposited in the*  
40 *California Bingo Fund shall be available, upon appropriation by*

1 the Legislature, for expenditure by ~~the commission and the~~  
2 department exclusively for the support of the ~~commission and~~  
3 department in carrying out ~~their~~ *its* duties and responsibilities under  
4 this section and Section 326.5.

5 ~~(C)~~

6 (B) A loan is hereby authorized from the Gambling Control  
7 Fund to the California Bingo Fund on or after January 1, 2009, in  
8 an amount of up to five hundred thousand dollars (\$500,000) to  
9 fund operating, personnel, and other startup costs incurred by the  
10 commission relating to this act. Funds from the California Bingo  
11 Fund shall be available to the commission upon appropriation by  
12 the Legislature in the annual Budget Act. The loan shall be subject  
13 to all of the following conditions:

14 (i) The loan shall be repaid to the Gambling Control Fund as  
15 soon as there is sufficient money in the California Bingo Fund to  
16 repay the amount loaned, ~~but no later than five years after the date~~  
17 ~~of the loan.~~

18 (ii) Interest on the loan shall be paid from the California Bingo  
19 Fund at the rate accruing to moneys in the Pooled Money  
20 Investment Account.

21 (iii) The terms and conditions of the loan are approved, prior  
22 to the transfer of funds, by the Department of Finance pursuant to  
23 appropriate fiscal standards.

24 ~~The commission may assess and collect reasonable fees and~~  
25 ~~deposits as necessary to defray the costs of regulation and~~  
26 ~~oversight.~~

27 ~~(r) The administrative, managerial, technical, financial, and~~  
28 ~~security personnel employed by an organization that conducts~~  
29 ~~remote caller bingo games shall apply for, obtain, and thereafter~~  
30 ~~maintain valid work permits, as defined in Section 19805 of the~~  
31 ~~Business and Professions Code.~~

32 (s) An organization that conducts remote caller bingo games  
33 shall retain records in connection with the remote caller bingo  
34 game for five years.

35 ~~(t) (1) All equipment used for remote caller bingo shall be~~  
36 ~~approved in advance by the California Gambling Control~~  
37 ~~Commission pursuant to regulations adopted pursuant to~~  
38 ~~subdivision (r) of Section 19841 of the Business and Professions~~  
39 ~~Code.~~

40 (2)

1 ~~(t) The California Gambling Control Commission~~ *local licensing*  
2 *entity* shall monitor operation of the transmission and other  
3 equipment used for remote caller bingo, and monitor the game.

4 (u) (1) As used in this section, “remote caller bingo game”  
5 means a game of bingo, as defined in subdivision (o) of Section  
6 326.5, in which the numbers or symbols on randomly drawn plastic  
7 balls are announced by a natural person present at the site at which  
8 the live game is conducted, and the organization conducting the  
9 bingo game uses audio and video technology to link any of its  
10 in-state facilities for the purpose of transmitting the remote calling  
11 of a live bingo game from a single location to multiple locations  
12 owned, leased, or rented by that organization, or as described in  
13 subdivision (o) of this section. The audio or video technology used  
14 to link the facilities may include cable, Internet, satellite,  
15 broadband, or telephone technology, or any other means of  
16 electronic transmission that ensures the secure, accurate, and  
17 simultaneous transmission of the announcement of numbers or  
18 symbols in the game from the location at which the game is called  
19 by a natural person to the remote location or locations at which  
20 players may participate in the game. The drawing of each ball  
21 bearing a number or symbol by the natural person calling the game  
22 shall be visible to all players as the ball is drawn, including through  
23 a simultaneous live video feed at remote locations at which players  
24 may participate in the game.

25 ~~(2) The caller in the live game must be licensed by the California~~  
26 ~~Gambling Control Commission. A game may be called by a~~  
27 ~~nonlicensed caller if the drawing of balls and calling of numbers~~  
28 ~~or symbols by that person is observed and personally supervised~~  
29 ~~by a licensed caller.~~

30 ~~(3)~~  
31 (2) Remote caller bingo games shall be played using traditional  
32 paper or other tangible bingo cards and daubers, and shall not be  
33 played by using electronic devices, except card-minding devices,  
34 as described in paragraph (1) of subdivision (p) of Section 326.5.

35 ~~(4) Prior to conducting a remote caller bingo game, the~~  
36 ~~organization that conducts remote caller bingo shall submit to the~~  
37 ~~commission the controls, methodology, and standards of game~~  
38 ~~play, which shall include, but not be limited to, the equipment used~~  
39 ~~to select bingo numbers and create or originate cards, control or~~  
40 ~~maintenance, distribution to participating locations, and distribution~~

1 to players. Those controls, methodologies, and standards shall be  
2 subject to prior approval by the commission, provided that the  
3 controls shall be deemed approved by the commission after 90  
4 days from the date of submission unless disapproved.

5 (v) A location shall not be eligible to participate in a remote  
6 caller bingo game if bingo games are conducted at that location  
7 in violation of Section 326.5 or any regulation adopted by the  
8 commission pursuant to Section 19841 of the Business and  
9 Professions Code, including, but not limited to, a location at which  
10 unlawful electronic devices are used.

11 (w) (1) The vendor of the equipment used in a remote caller  
12 bingo game shall have its books and records audited at least  
13 annually by an independent California certified public accountant  
14 and shall submit the results of that audit to the California Gambling  
15 Control Commission within 120 days after the close of the vendor's  
16 fiscal year. In addition, the California Gambling Control  
17 Commission may audit the books and records of the vendor at any  
18 time.

19 (2) An authorized organization that conducts remote caller bingo  
20 games shall provide copies of the records pertaining to those games  
21 to the California Gambling Control Commission within 30 days  
22 after the end of each calendar quarter. In addition, those records  
23 shall be audited by an independent California certified public  
24 accountant at least annually and copies of the audit reports shall  
25 be provided to the California Gambling Control Commission within  
26 120 days after the close of the organization's fiscal year. The audit  
27 report shall account for the annual amount of fees paid to financial  
28 institutions for the use and processing of credit card sales by the  
29 authorized organization and the amount of fees for the use and  
30 processing of credit card sales redirected from "overhead costs"  
31 and deducted from the amount of gross revenues awarded for  
32 prizes.

33 (3) The costs of the licensing and audits required by this section  
34 shall be borne by the person or entity required to be licensed or  
35 audited. The audit shall enumerate the receipts for remote caller  
36 bingo, the prizes disbursed, the overhead costs, and the amount  
37 retained by the nonprofit organization. The commission may audit  
38 the books and records of an organization that conducts remote  
39 caller bingo games at any time.

1 ~~(4) If, during an audit, the commission identifies practices in~~  
2 ~~violation of this section, the license for the audited entity may be~~  
3 ~~suspended pending review and hearing before the commission for~~  
4 ~~a final determination.~~

5 ~~(5) No audit required to be conducted by the commission shall~~  
6 ~~commence before January 1, 2010.~~

7 *(w) (1) The department may audit the books and records of a*  
8 *licensed organization or a management company contracted by a*  
9 *licensed organization to conduct remote caller bingo at any time*  
10 *and may charge a fee for the audit sufficient to cover the costs of*  
11 *performing the audit. An audit shall be contingent upon the*  
12 *Legislature appropriating funds for this purpose. Any information*  
13 *collected in the course of an audit shall be made available to the*  
14 *public upon request.*

15 *(2) A management company contracted with a licensed*  
16 *organization shall retain an independent California certified public*  
17 *accountant to conduct an annual audit of its books and records.*  
18 *The results of the audit shall be submitted to the department within*  
19 *120 days after the close of the management company's fiscal year.*

20 *(x) (1) The provisions of this section are severable. If any*  
21 *provision of this section or its application is held invalid, that*  
22 *invalidity shall not affect other provisions or applications that can*  
23 *be given effect without the invalid provision or application.*

24 *(2) Notwithstanding paragraph (1), if paragraph (1) or (3) (2)*  
25 *of subdivision (u), or the application of either of those provisions,*  
26 *is held invalid, this entire section shall be invalid.*

27 ~~(y) The commission shall submit a report to the Legislature, on~~  
28 ~~or before January 1, 2012, on the fundraising effectiveness and~~  
29 ~~regulation of remote caller bingo, and other matters that are relevant~~  
30 ~~to the public interest regarding remote caller bingo.~~

31 ~~(z)~~

32 *(y) The following definitions apply for purposes of this section:*

33 *(1) "Commission" means the California Gambling Control*  
34 *Commission.*

35 *(2) "Department" means the Department of Justice.*

36 *(3) "Local licensing entity" means the city, county, or city and*  
37 *county.*

38 *(4) "Management company" means any person or business*  
39 *organization retained by the licensed organization to install*  
40 *equipment necessary to the electronic transmission of remote caller*

bingo to locations in addition to the site where the game is being called. “Management company” also means any person or business organization retained by the licensed organization to operate the electronic transmission of the remote caller bingo game to any or all remote sites in addition to the site from which the game is being called.

(5) “Organization” means the principal organization that the cosponsors are affiliated with. All cosponsors shall be considered part of the organization with one person serving as the fiduciary for the organization and all affiliated cosponsors.

(2)  
(6) “Person” includes a natural person, corporation, limited liability company, partnership, trust, joint venture, association, or any other business organization.

SEC. 4. Section 326.5 of the Penal Code is amended to read:

326.5. (a) Neither the prohibition on gambling in this chapter nor in Chapter 10 (commencing with Section 330) applies to any bingo game that is conducted in a city, county, or city and county pursuant to an ordinance enacted under Section 19 of Article IV of the ~~State~~ California Constitution, if the ordinance allows games to be conducted only in accordance with this section, and only by organizations exempted from the payment of the bank and corporation tax by Sections 23701a, 23701b, 23701d, 23701e, 23701f, 23701g, 23701k, ~~23701w, and~~ 23701l, and 23701w of the Revenue and Taxation Code, and by mobilehome park associations, senior citizens organizations, and charitable organizations affiliated with a school district; and if the receipts of those games are used only for charitable purposes. *The ordinance may be amended by resolution of the governing body of the city, county, or city and county to allow a remote caller bingo game to be played or conducted in accordance with the requirements of Section 326.3.*

(b) It is a misdemeanor for any person to receive or pay a profit, wage, or salary from any bingo game authorized by Section 19 of Article IV of the ~~State~~ California Constitution. Security personnel employed by the organization conducting the bingo game may be paid from the revenues of bingo games, as provided in subdivisions (j) and (k).

(c) A violation of subdivision (b) shall be punishable by a fine not to exceed ten thousand dollars (\$10,000), which fine is deposited in the general fund of the city, county, or city and county



1 that enacted the ordinance authorizing the bingo game. A violation  
2 of any provision of this section, other than subdivision (b), is a  
3 misdemeanor.

4 (d) The city, county, or city and county that enacted the  
5 ordinance authorizing the bingo game may bring an action to enjoin  
6 a violation of this section.

7 (e) No minors shall be allowed to participate in any bingo game.

8 (f) An organization authorized to conduct bingo games pursuant  
9 to subdivision (a) shall conduct a bingo game only on property  
10 owned or leased by it, or property whose use is donated to the  
11 organization, and which property is used by that organization for  
12 an office or for performance of the purposes for which the  
13 organization is organized. Nothing in this subdivision shall be  
14 construed to require that the property owned or leased by, or whose  
15 use is donated to, the organization be used or leased exclusively  
16 by, or donated exclusively to, that organization.

17 (g) All bingo games shall be open to the public, not just to the  
18 members of the authorized organization.

19 (h) A bingo game shall be operated and staffed only by members  
20 of the authorized organization that organized it. Those members  
21 shall not receive a profit, wage, or salary from any bingo game.  
22 Only the organization authorized to conduct a bingo game shall  
23 operate such a game, or participate in the promotion, supervision,  
24 or any other phase of a bingo game. This subdivision does not  
25 preclude the employment of security personnel who are not  
26 members of the authorized organization at a bingo game by the  
27 organization conducting the game.

28 (i) No individual, corporation, partnership, or other legal entity,  
29 except the organization authorized to conduct a bingo game, shall  
30 hold a financial interest in the conduct of a bingo game.

31 (j) With respect to organizations exempt from payment of the  
32 bank and corporation tax by Section 23701d of the Revenue and  
33 Taxation Code, all profits derived from a bingo game shall be kept  
34 in a special fund or account and shall not be commingled with any  
35 other fund or account. Those profits shall be used only for  
36 charitable purposes.

37 (k) With respect to other organizations authorized to conduct  
38 bingo games pursuant to this section, all proceeds derived from a  
39 bingo game shall be kept in a special fund or account and shall not  
40 be commingled with any other fund or account. Proceeds are the

1 receipts of bingo games conducted by organizations not within  
2 subdivision (j). Those proceeds shall be used only for charitable  
3 purposes, except as follows:

4 (1) The proceeds may be used for prizes.

5 (2) (A) Except as provided in subparagraph (B), a portion of  
6 the proceeds, not to exceed 20 percent of the proceeds before the  
7 deduction for prizes, or two thousand dollars (\$2,000) per month,  
8 whichever is less, may be used for the rental of property and for  
9 overhead, including the purchase of bingo equipment,  
10 administrative expenses, security equipment, and security  
11 personnel.

12 (B) For the purposes of bingo games conducted by the Lake  
13 Elsinore Elks Lodge, a portion of the proceeds, not to exceed 20  
14 percent of the proceeds before the deduction for prizes, or three  
15 thousand dollars (\$3,000) per month, whichever is less, may be  
16 used for the rental of property and for overhead, including the  
17 purchase of bingo equipment, administrative expenses, security  
18 equipment, and security personnel. Any amount of the proceeds  
19 that is additional to that permitted under subparagraph (A), up to  
20 one thousand dollars (\$1,000), shall be used for the purpose of  
21 financing the rebuilding of the facility and the replacement of  
22 equipment that was destroyed by fire in 2007. The exception to  
23 subparagraph (A) that is provided by this subparagraph shall remain  
24 in effect only until the cost of rebuilding the facility is repaid, or  
25 January 1, 2019, whichever occurs first.

26 (3) The proceeds may be used to pay license fees.

27 (4) A city, county, or city and county that enacts an ordinance  
28 permitting bingo games may specify in the ordinance that if the  
29 monthly gross receipts from bingo games of an organization within  
30 this subdivision exceed five thousand dollars (\$5,000), a minimum  
31 percentage of the proceeds shall be used only for charitable  
32 purposes not relating to the conducting of bingo games and that  
33 the balance shall be used for prizes, rental of property, overhead,  
34 administrative expenses, and payment of license fees. The amount  
35 of proceeds used for rental of property, overhead, and  
36 administrative expenses is subject to the limitations specified in  
37 paragraph (2).

38 (l) (1) A city, county, or city and county may impose a license  
39 fee on each organization that it authorizes to conduct bingo games.  
40 The fee, whether for the initial license or renewal, shall not exceed

1 fifty dollars (\$50) annually, except as provided in paragraph (2).  
2 If an application for a license is denied, one-half of any license  
3 fee paid shall be refunded to the organization.

4 (2) In lieu of the license fee permitted under paragraph (1), a  
5 city, county, or city and county may impose a license fee of fifty  
6 dollars (\$50) paid upon application. If an application for a license  
7 is denied, one-half of the application fee shall be refunded to the  
8 organization. An additional fee for law enforcement and public  
9 safety costs incurred by the city, county, or city and county that  
10 are directly related to bingo activities may be imposed and shall  
11 be collected monthly by the city, county, or city and county issuing  
12 the license; however, the fee shall not exceed the actual costs  
13 incurred in providing the service.

14 (m) No person shall be allowed to participate in a bingo game,  
15 unless the person is physically present at the time and place where  
16 the bingo game is being conducted.

17 (n) The total value of prizes available to be awarded during the  
18 conduct of any bingo games shall not exceed five hundred dollars  
19 (\$500) in cash or kind, or both, for each separate game which is  
20 held.

21 (o) As used in this section, “bingo” means a game of chance in  
22 which prizes are awarded on the basis of designated numbers or  
23 symbols that are marked or covered by the player on a tangible  
24 card in the player’s possession and that conform to numbers or  
25 symbols, selected at random and announced by a live caller.  
26 Notwithstanding Section 330c, as used in this section, the game  
27 of bingo includes tangible cards having numbers or symbols that  
28 are concealed and preprinted in a manner providing for distribution  
29 of prizes. Electronics or video displays shall not be used in  
30 connection with the game of bingo, except in connection with the  
31 caller’s drawing of numbers or symbols and the public display of  
32 that drawing, and except as provided in subdivision (p). The  
33 winning cards shall not be known prior to the game by any person  
34 participating in the playing or operation of the bingo game. All  
35 preprinted cards shall bear the legend, “for sale or use only in a  
36 bingo game authorized under California law and pursuant to local  
37 ordinance.” Only a covered or marked tangible card possessed by  
38 a player and presented to an attendant may be used to claim a prize.  
39 It is the intention of the Legislature that bingo as defined in this  
40 subdivision applies exclusively to this section and shall not be

1 applied in the construction or enforcement of any other provision  
2 of law.

3 (p) (1) Players who are physically present at a bingo game may  
4 use hand-held, portable card-minding devices, as described in this  
5 subdivision, to assist in monitoring the numbers or symbols  
6 announced by a live caller as those numbers or symbols are called  
7 in a live game. Card-minding devices may not be used in  
8 connection with any game where a bingo card may be sold or  
9 distributed after the start of the ball draw for that game. A  
10 card-minding device shall do all of the following:

11 (A) Be capable of storing in the memory of the device bingo  
12 faces of tangible cards purchased by a player.

13 (B) Provide a means for bingo players to input manually each  
14 individual number or symbol announced by a live caller.

15 (C) Compare the numbers or symbols entered by the player to  
16 the bingo faces previously stored in the memory of the device.

17 (D) Identify winning bingo patterns that exist on the stored  
18 bingo faces.

19 (2) A card-minding device shall perform no functions involving  
20 the play of the game other than those described in paragraph (1).  
21 Card-minding devices shall not do any of the following:

22 (A) Be capable of accepting or dispensing any coins, currency,  
23 or other representative of value or on which value has been  
24 encoded.

25 (B) Be capable of monitoring any bingo card face other than  
26 the faces of the tangible bingo card or cards purchased by the  
27 player for that game.

28 (C) Display or represent the game result through any means,  
29 including, but not limited to, video or mechanical reels or other  
30 slot machine or casino game themes, other than highlighting the  
31 winning numbers or symbols marked or covered on the tangible  
32 bingo cards or giving an audio alert that the player's card has a  
33 prize-winning pattern.

34 (D) Determine the outcome of any game or be physically or  
35 electronically connected to any component that determines the  
36 outcome of a game or to any other bingo equipment, including,  
37 but not limited to, the ball call station, or to any other card-minding  
38 device. No other player-operated or player-activated electronic or  
39 electromechanical device or equipment is permitted to be used in  
40 connection with a bingo game.

1     ~~(3) (A) A card-minding device shall be approved in advance~~  
2 ~~by the commission as meeting the requirements of this section and~~  
3 ~~any additional requirements stated in regulations adopted by the~~  
4 ~~commission. Any proposed material change to the device, including~~  
5 ~~any change to the software used by the device, shall be submitted~~  
6 ~~to the commission and approved by the commission prior to~~  
7 ~~implementation.~~

8     ~~(B) In accordance with Chapter 5 (commencing with Section~~  
9 ~~19800) of Division 8 of the Business and Professions Code, the~~  
10 ~~commission shall establish reasonable criteria for, and require the~~  
11 ~~licensure of, any person that directly or indirectly manufactures,~~  
12 ~~distributes, supplies, vends, leases, or otherwise provides~~  
13 ~~card-minding devices or other supplies, equipment, or services~~  
14 ~~related to card-minding devices designed for use in the playing of~~  
15 ~~bingo games by any nonprofit organization.~~

16     ~~(C) A person or entity that supplies or services any card-minding~~  
17 ~~device shall meet all licensing requirements established by the~~  
18 ~~commission in regulations.~~

19     ~~(4) The costs of any testing, certification, license, or~~  
20 ~~determination required by this subdivision shall be borne by the~~  
21 ~~person or entity seeking it.~~

22     ~~(5) On and after January 1, 2010, the commission and the~~  
23 ~~Department of Justice may inspect all card-minding devices at any~~  
24 ~~time without notice, and may immediately prohibit the use of any~~  
25 ~~device that does not comply with the requirements of subdivision~~  
26 ~~(r) of Section 19841 of the Business and Professions Code. The~~  
27 ~~Department of Justice may at any time, without notice, impound~~  
28 ~~any device the use of which has been prohibited by the commission.~~

29     ~~(6) The California Gambling Control Commission shall issue~~  
30 ~~regulations to implement the requirements of this subdivision and~~  
31 ~~may issue regulations regarding the means by which the operator~~  
32 ~~of a bingo game, as required by applicable law, may offer~~  
33 ~~assistance to a player with disabilities in order to enable that player~~  
34 ~~to participate in a bingo game, provided that the means of providing~~  
35 ~~that assistance shall not be through any electronic,~~  
36 ~~electromechanical, or other device or equipment that accepts the~~  
37 ~~insertion of any coin, currency, token, credit card, or other means~~  
38 ~~of transmitting value, and does not constitute or is not a part of a~~  
39 ~~system that constitutes a video lottery terminal, slot machine, or~~  
40 ~~device prohibited by Chapter 10 (commencing with Section 330).~~

~~(7) The following definitions apply for purposes of this subdivision:~~

~~(A) “Commission” means the California Gambling Control Commission.~~

~~(B) “Person” includes a natural person, corporation, limited liability company, partnership, trust, joint venture, association, or any other business organization.~~

*SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.*

*SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:*

*The California Gambling Control Commission’s funding authority for the remote caller bingo program, which is a loan from the Gambling Control Fund, and limited-term positions expired on June 30, 2011. Without that funding authority and those positions, the commission cannot perform work related to the remote caller bingo program after June 30, 2011. In order to provide continuity for charitable organizations that are conducting remote caller bingo at the earliest possible time, it is necessary that this act take effect immediately.*

~~SECTION 1. Section 216 of the Public Utilities Code is amended to read:~~

~~216. (a) “Public utility” includes every common carrier, toll bridge corporation, pipeline corporation, gas corporation, electrical corporation, telephone corporation, telegraph corporation, water corporation, sewer system corporation, and heat corporation, where the service is performed for, or the commodity is delivered to, the public or any portion thereof.~~

~~(b) Whenever any common carrier, toll bridge corporation, pipeline corporation, gas corporation, electrical corporation, telephone corporation, telegraph corporation, water corporation,~~

1 sewer system corporation, or heat corporation performs a service  
2 for, or delivers a commodity to, the public or any portion thereof  
3 for which any compensation or payment whatsoever is received;  
4 that common carrier, toll bridge corporation, pipeline corporation,  
5 gas corporation, electrical corporation, telephone corporation,  
6 telegraph corporation, water corporation, sewer system corporation,  
7 or heat corporation, is a public utility subject to the jurisdiction,  
8 control, and regulation of the commission and the provisions of  
9 this part.

10 (e) ~~When any person or corporation performs any service for,~~  
11 ~~or delivers any commodity to, any person, private corporation,~~  
12 ~~municipality, or other political subdivision of the state, that in turn~~  
13 ~~either directly or indirectly, mediately or immediately, performs~~  
14 ~~that service for, or delivers that commodity to, the public or any~~  
15 ~~portion thereof, that person or corporation is a public utility subject~~  
16 ~~to the jurisdiction, control, and regulation of the commission and~~  
17 ~~the provisions of this part.~~

18 (d) ~~Ownership or operation of a facility that employs~~  
19 ~~cogeneration technology or produces power from other than a~~  
20 ~~conventional power source or the ownership or operation of a~~  
21 ~~facility which employs landfill gas technology does not make a~~  
22 ~~corporation or person a public utility within the meaning of this~~  
23 ~~section solely because of the ownership or operation of that facility.~~

24 (e) ~~Any corporation or person engaged directly or indirectly in~~  
25 ~~developing, producing, transmitting, distributing, delivering, or~~  
26 ~~selling any form of heat derived from geothermal or solar resources~~  
27 ~~or from cogeneration technology to any privately owned or publicly~~  
28 ~~owned public utility, or to the public or any portion thereof, is not~~  
29 ~~a public utility within the meaning of this section solely by reason~~  
30 ~~of engaging in any of those activities.~~

31 (f) ~~The ownership or operation of a facility that sells compressed~~  
32 ~~natural gas at retail to the public for use only as a motor vehicle~~  
33 ~~fuel, and the selling of compressed natural gas at retail from that~~  
34 ~~facility to the public for use only as a motor vehicle fuel, does not~~  
35 ~~make the corporation or person a public utility within the meaning~~  
36 ~~of this section solely because of that ownership, operation, or sale.~~

37 (g) ~~Ownership or operation of a facility that is an exempt~~  
38 ~~wholesale generator, as defined in the Public Utility Holding~~  
39 ~~Company Act of 2005 (42 U.S.C. Sec. 16451(6)), does not make~~

1 a corporation or person a public utility within the meaning of this  
2 section, solely due to the ownership or operation of that facility.

3 ~~(h) The ownership, control, operation, or management of an~~  
4 ~~electric plant used for direct transactions or participation directly~~  
5 ~~or indirectly in direct transactions, as permitted by subdivision (b)~~  
6 ~~of Section 365, sales into a market established and operated by the~~  
7 ~~Independent System Operator or any other wholesale electricity~~  
8 ~~market, or the use or sale as permitted under subdivisions (b) to~~  
9 ~~(d), inclusive, of Section 218, shall not make a corporation or~~  
10 ~~person a public utility within the meaning of this section solely~~  
11 ~~because of that ownership, participation, or sale.~~

12 ~~(i) A corporation or person engaged directly or indirectly in~~  
13 ~~developing, producing, delivering, participating in, or selling~~  
14 ~~interests in, a community facility pursuant to Chapter 7.5~~  
15 ~~(commencing with Section 2830) of Part 2, is not a public utility~~  
16 ~~within the meaning of this section solely by reason of engaging in~~  
17 ~~any of those activities.~~

18 ~~SEC. 2. Section 218 of the Public Utilities Code is amended~~  
19 ~~to read:~~

20 ~~218. (a) “Electrical corporation” includes every corporation~~  
21 ~~or person owning, controlling, operating, or managing any electric~~  
22 ~~plant for compensation within this state, except where electricity~~  
23 ~~is generated on or distributed by the producer through private~~  
24 ~~property solely for its own use or the use of its tenants and not for~~  
25 ~~sale or transmission to others.~~

26 ~~(b) “Electrical corporation” does not include a corporation or~~  
27 ~~person employing cogeneration technology or producing power~~  
28 ~~from other than a conventional power source for the generation of~~  
29 ~~electricity solely for any one or more of the following purposes:~~

30 ~~(1) Its own use or the use of its tenants.~~

31 ~~(2) The use of or sale to not more than two other corporations~~  
32 ~~or persons solely for use on the real property on which the~~  
33 ~~electricity is generated or on real property immediately adjacent~~  
34 ~~thereto, unless there is an intervening public street constituting the~~  
35 ~~boundary between the real property on which the electricity is~~  
36 ~~generated and the immediately adjacent property and one or more~~  
37 ~~of the following applies:~~

38 ~~(A) The real property on which the electricity is generated and~~  
39 ~~the immediately adjacent real property is not under common~~  
40 ~~ownership or control, or that common ownership or control was~~



1 ~~gained solely for purposes of sale of the electricity so generated~~  
2 ~~and not for other business purposes.~~

3 ~~(B) The useful thermal output of the facility generating the~~  
4 ~~electricity is not used on the immediately adjacent property for~~  
5 ~~petroleum production or refining.~~

6 ~~(C) The electricity furnished to the immediately adjacent~~  
7 ~~property is not utilized by a subsidiary or affiliate of the corporation~~  
8 ~~or person generating the electricity.~~

9 ~~(3) Sale or transmission to an electrical corporation or state or~~  
10 ~~local public agency, but not for sale or transmission to others,~~  
11 ~~unless the corporation or person is otherwise an electrical~~  
12 ~~corporation.~~

13 ~~(e) “Electrical corporation” does not include a corporation or~~  
14 ~~person employing landfill gas technology for the generation of~~  
15 ~~electricity for any one or more of the following purposes:~~

16 ~~(1) Its own use or the use of not more than two of its tenants~~  
17 ~~located on the real property on which the electricity is generated.~~

18 ~~(2) The use of or sale to not more than two other corporations~~  
19 ~~or persons solely for use on the real property on which the~~  
20 ~~electricity is generated.~~

21 ~~(3) Sale or transmission to an electrical corporation or state or~~  
22 ~~local public agency.~~

23 ~~(d) “Electrical corporation” does not include a corporation or~~  
24 ~~person employing digester gas technology for the generation of~~  
25 ~~electricity for any one or more of the following purposes:~~

26 ~~(1) Its own use or the use of not more than two of its tenants~~  
27 ~~located on the real property on which the electricity is generated.~~

28 ~~(2) The use of or sale to not more than two other corporations~~  
29 ~~or persons solely for use on the real property on which the~~  
30 ~~electricity is generated.~~

31 ~~(3) Sale or transmission to an electrical corporation or state or~~  
32 ~~local public agency, if the sale or transmission of the electricity~~  
33 ~~service to a retail customer is provided through the transmission~~  
34 ~~system of the existing local publicly owned electric utility or~~  
35 ~~electrical corporation of that retail customer.~~

36 ~~(e) “Electrical corporation” does not include an independent~~  
37 ~~solar energy producer, as defined in Article 3 (commencing with~~  
38 ~~Section 2868) of Chapter 9 of Part 2.~~

39 ~~(f) The amendments made to this section at the 1987 portion of~~  
40 ~~the 1987–88 Regular Session of the Legislature do not apply to~~

1 any corporation or person employing cogeneration technology or  
2 producing power from other than a conventional power source for  
3 the generation of electricity that physically produced electricity  
4 prior to January 1, 1989, and furnished that electricity to  
5 immediately adjacent real property for use thereon prior to January  
6 1, 1989.

7 (g) A corporation or person engaged directly or indirectly in  
8 developing, producing, delivering, participating in, or selling  
9 interests in, a community facility pursuant to Chapter 7.5  
10 (commencing with Section 2830) of Part 2, is not an electrical  
11 corporation within the meaning of this section solely by reason of  
12 engaging in any of those activities.

13 SEC. 3. Section 2826.5 of the Public Utilities Code is repealed.

14 SEC. 4. Chapter 7.5 (commencing with Section 2830) of Part  
15 2 of Division 1 of the Public Utilities Code is repealed.

16 SEC. 5. Chapter 7.5 (commencing with Section 2830) is added  
17 to Part 2 of Division 1 of the Public Utilities Code, to read:

18  
19 CHAPTER 7.5. COMMUNITY-BASED RENEWABLE ENERGY  
20 SELF-GENERATION PROGRAM  
21

22 2830. The Legislature finds and declares all of the following:

23 (a) Despite the fact that all California utility customers fund  
24 current self-generation programs, residential and commercial  
25 renters, small businesses, public entities, and low and  
26 moderate-income Californians usually do not have the ability to  
27 participate fully in current self-generation programs. The purpose  
28 of this chapter is to provide all Californians with the opportunity  
29 to self-generate clean, renewable power through the  
30 Community-Based Renewable Energy Self-Generation Program.  
31 It is in the public interest to promote broader participation in  
32 renewable self-generation by California residents, public agencies,  
33 and businesses by the development of community renewable energy  
34 facilities in which participants are entitled to generate and receive  
35 renewable power through an over-the-fence transaction.

36 (b) It is the intent of the Legislature that public schools have  
37 the authority to invest in renewable power as provided in this  
38 chapter. Energy usage is one of the most significant cost pressures  
39 facing public schools at a time when schools have been forced to  
40 cut essential programs, increase classroom sizes, and send pink

1 slips to teachers throughout the state. Schools may use the savings  
2 for restoring funds for salaries, student achievement, facility  
3 maintenance, and other budgetary needs. The energy projects that  
4 will go forward under this chapter would create new green  
5 construction jobs, stimulate the economy, generate funding, and  
6 provide more clean renewable power to customers.

7 (e) Community-based renewable power will contribute to the  
8 achievement of the 33 percent renewables portfolio standard in a  
9 cost-effective manner and will assist in meeting the state's zero  
10 net energy buildings goals. This chapter provides job creation,  
11 environmental protection, and school funding for those who choose  
12 to make the investment in community-based renewable energy  
13 self-generation facilities.

14 2831. As used in this chapter, the following terms have the  
15 following meanings:

16 (a) "Benefiting account" means one or more accounts designated  
17 to receive a bill credit pursuant to Section 2832.

18 (b) "Bill credit" means an amount of money credited to one or  
19 more benefiting accounts based on the percentage share of the  
20 community facility that is assigned to the account.

21 (c) "Community facility" means a renewable energy facility  
22 that meets all of the following requirements:

23 (1) Has a generating capacity of no more than 20 megawatts.

24 (2) Is an eligible renewable energy resource, as defined in  
25 Article 16 (commencing with Section 399.11) of Part 1.

26 (3) The electrical output of the facility is measured by a  
27 production meter capable of recording production in real time.

28 (4) Sells subscriptions to the electrical output of the facility.

29 (5) Is located in California.

30 (d) "Electrical utility" means an electrical corporation, as defined  
31 in Section 218.

32 (e) "Local government" means a city, county, city and county,  
33 special district, school district, political subdivision, or other local  
34 governmental entity.

35 (f) "Subscriber" means a retail customer of an electric utility  
36 who owns a subscription and who has designated one or more  
37 benefiting accounts to which the subscription shall be attributed,  
38 including a local government, the California Community Colleges,  
39 the California State University, and the University of California.

1     ~~(g) “Subscriber organization” means any for-profit or nonprofit~~  
2     ~~organization or business, created and operating pursuant to law,~~  
3     ~~whose purpose is to beneficially own or operate a community~~  
4     ~~facility for the subscribers to the community facility.~~

5     ~~(h) “Subscription” means an interest in a community facility.~~

6     ~~2832. (a) (1) A retail customer of an electrical utility may~~  
7     ~~purchase a subscription in a community facility for the purpose of~~  
8     ~~receiving a bill credit to offset all or a portion of the customer’s~~  
9     ~~electricity usage. The subscriber shall designate one or more~~  
10    ~~benefiting accounts to which the subscription shall be attributed.~~

11    ~~(2) To be eligible to be designated as a benefiting account, the~~  
12    ~~account shall be for service to premises located within the~~  
13    ~~geographical boundaries of the service territory of the electrical~~  
14    ~~utility containing the community facility, or within the geographical~~  
15    ~~boundaries of a contiguous service territory, if the electrical utility~~  
16    ~~and the utility for that service territory have entered into an~~  
17    ~~agreement enabling the connection of the benefiting account to~~  
18    ~~the community facility.~~

19    ~~(3) The benefiting account shall be metered on a time-of-use~~  
20    ~~tariff.~~

21    ~~(b) (1) For community facilities that are interconnected at the~~  
22    ~~transmission level, the bill credit shall be calculated based upon~~  
23    ~~the time-of-use electricity generation component of the electricity~~  
24    ~~usage charge of the benefiting account, multiplied by the quantity~~  
25    ~~of electricity generated by the community facility that is assigned~~  
26    ~~to the benefiting account pursuant to this section.~~

27    ~~(2) For community facilities that are interconnected at the~~  
28    ~~distribution level, the bill credit shall be calculated based upon the~~  
29    ~~time-of-use electricity generation and transmission component of~~  
30    ~~the electricity usage charge of the benefiting account, multiplied~~  
31    ~~by the quantity of electricity generated by the community facility~~  
32    ~~that is assigned to the benefiting account pursuant to this section.~~

33    ~~(c) (1) Each subscription shall be sized to represent at least one~~  
34    ~~kilowatt of the community facility’s generating capacity.~~

35    ~~(2) A subscriber shall not purchase more than 2 megawatts of~~  
36    ~~capacity in any single community facility. This subdivision does~~  
37    ~~not apply to a local government.~~

38    ~~(3) A subscriber organization may beneficially own or operate~~  
39    ~~a community facility for the subscribers to the community facility.~~

1 A community facility may be built, owned, or operated by a third  
2 party under contract with a subscriber organization.

3 (4) ~~Prior to a sale of a subscription, the subscriber organization~~  
4 ~~shall provide a disclosure to the customer that, at a minimum,~~  
5 ~~includes all of the following:~~

6 (A) ~~A good faith estimate of the annual kilowatthours to be~~  
7 ~~delivered by the community facility based on the size of the~~  
8 ~~subscription.~~

9 (B) ~~A plain language explanation of the terms under which the~~  
10 ~~bill credits will be calculated.~~

11 (C) ~~A plain language explanation of the contract provisions~~  
12 ~~regulating the disposition or transfer of the subscription.~~

13 (5) ~~The commission shall not regulate the prices paid for the~~  
14 ~~shares of a community facility.~~

15 (d) ~~Local governments may aggregate their loads for the purpose~~  
16 ~~of participating in a community facility pursuant to this section.~~

17 (e) (1) ~~A subscriber organization shall provide to the electrical~~  
18 ~~utility information on the identity of the benefiting accounts that~~  
19 ~~will receive a bill credit pursuant to this section not less than 30~~  
20 ~~days prior to the commencement of the operations of the~~  
21 ~~community facility.~~

22 (2) ~~For a local government that elects to aggregate its loads for~~  
23 ~~the purpose of purchasing a subscription, if the local government~~  
24 ~~has more than one benefiting account the owner or operator of the~~  
25 ~~facility shall designate the specific accounts and percentage~~  
26 ~~allocations to which the bill credit shall apply.~~

27 (3) ~~A subscriber organization shall be responsible for all costs~~  
28 ~~of metering and shall retain production data for a period of 36~~  
29 ~~months. The subscriber organization shall provide real-time meter~~  
30 ~~data to the electrical utility and shall make the data available to~~  
31 ~~the subscribers upon request.~~

32 (f) (1) ~~Not more frequently than once per month, and upon~~  
33 ~~providing the electrical utility with a minimum of 30 days, notice,~~  
34 ~~the subscriber organization may change, add, or remove a~~  
35 ~~benefiting account. If the owner of a benefiting account transfers~~  
36 ~~service to a new benefiting account, the electrical utility shall~~  
37 ~~transfer any credit remaining from the previous account to the new~~  
38 ~~account.~~

~~(2) A subscriber organization shall be responsible for providing the electrical utility, on a monthly basis, the percentage shares to be used to determine the bill credit to each benefiting account.~~

~~(g) (1) An electrical utility shall bill a benefiting account for all electricity usage, and for each bill component, at the rate schedule applicable to the benefiting account, including any cost-responsibility surcharge or other cost recovery mechanism, as determined by the commission, to reimburse the Department of Water Resources for purchases of electricity pursuant to Division 27 (commencing with Section 80000) of the Water Code. Community facilities shall not be subject to any other departing load charge.~~

~~(2) An electrical utility shall subtract the bill credit applicable to the benefiting account. The generation component credited to the benefiting account shall not include the cost-responsibility surcharge or other cost recovery mechanism, as determined by the commission, to reimburse the Department of Water Resources for purchases of electricity pursuant to Division 27 (commencing with Section 80000) of the Water Code. The electrical utility shall ensure that the subscriber receives the full bill credit to which it is entitled.~~

~~(3) If during the billing cycle the electricity usage charge exceeds the bill credit, the benefiting account shall be billed for the difference.~~

~~(4) If during the billing cycle the bill credit exceeds the electricity usage charges, the difference shall be carried forward as a financial credit to the next billing cycle.~~

~~(5) After the electricity usage charge and the credit are determined for the last billing cycle of a 12-month period, the electrical utility shall apply the net surplus electricity attributed to the benefiting account as a bill credit for kilowatthours subsequently supplied by the electrical utility to the subscribers; if the electricity generated by the community facility during the 12-month period exceeds the electricity supplied by the electrical utility during that same period.~~

~~(h) A subscriber organization shall provide not less than 120 days, notice to the electrical utility prior to the date the community facility becomes operational.~~

~~(i) If a subscriber sells or cancels its interest in, or contract with the owner or operator of, the community facility, or sells the~~

1 electricity generated by the community facility in a manner that  
2 is not authorized by this section, upon the date of that event, no  
3 further bill credit may be earned pursuant to this section, and only  
4 credit earned prior to that date may be assigned by the subscriber  
5 organization to a new benefiting account.

6 (j) ~~The electrical utility shall own the renewable energy credits~~  
7 ~~generated by a community facility. The electricity generated by~~  
8 ~~community facilities shall be taken into account in determining~~  
9 ~~whether the electrical utility has met its renewables portfolio~~  
10 ~~requirements under Article 16 (commencing with Section 399.11)~~  
11 ~~of Part 1.~~

12 (k) ~~This section does not require an electrical utility to purchase~~  
13 ~~electricity from a community facility.~~

14 (l) ~~An electrical utility shall ensure that requests for~~  
15 ~~establishment of bill credits and changes to benefiting accounts~~  
16 ~~are processed in a time period not to exceed 30 days from the date~~  
17 ~~it receives the request.~~

18 (m) (1) ~~A community facility may elect to provide energy only~~  
19 ~~or energy and capacity. An electrical utility shall ensure that a~~  
20 ~~request for a distribution level interconnection agreement from a~~  
21 ~~community facility is processed in a time period not to exceed 90~~  
22 ~~working days from the date the electrical utility receives a~~  
23 ~~completed application for interconnection.~~

24 (2) ~~All costs associated with interconnection are the~~  
25 ~~responsibility of the owner or operator of the community facility.~~  
26 ~~The community facility shall apply for transmission level~~  
27 ~~interconnections through the Independent System Operator's~~  
28 ~~generation interconnection process.~~

29 (n) ~~An electrical utility shall cooperate fully with community~~  
30 ~~facilities to implement this section.~~

31 (o) ~~An electrical utility shall comply with the requirements~~  
32 ~~applicable to commercial speech described in Public Utilities~~  
33 ~~Commission Decision 10-05-050 as applied to the development,~~  
34 ~~sale of subscriptions, and operation of community facilities.~~  
35 ~~Community facilities may file a complaint with the commission~~  
36 ~~for violation of this subdivision.~~

37 SEC. 6. ~~No reimbursement is required by this act pursuant to~~  
38 ~~Section 6 of Article XIII B of the California Constitution because~~  
39 ~~the only costs that may be incurred by a local agency or school~~  
40 ~~district will be incurred because this act creates a new crime or~~

1 ~~infraction, eliminates a crime or infraction, or changes the penalty~~  
2 ~~for a crime or infraction, within the meaning of Section 17556 of~~  
3 ~~the Government Code, or changes the definition of a crime within~~  
4 ~~the meaning of Section 6 of Article XIII B of the California~~  
5 ~~Constitution.~~

O